

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



July 30, 2004

Regulation Package #0802-21

CDSS MANUAL LETTER NO. FS-04-05

TO: HOLDERS OF THE FOOD STAMP MANUAL, DIVISION 63

Regulation Package #0802-21**Effective 5/1/04****Sections 63-102 and 63-504**

This manual letter has been posted on the Office of Regulations Development website at http://www.dss.cahwnet.gov/ord/FoodStamps_618.htm.

The attached regulations implement and make specific 7 CFR 272.2, 7 CFR 274.10, and 7 CFR 278. Currently in California food stamps cannot be used to purchase hot foods prepared for immediate consumption. Homeless recipients may use food stamps to purchase prepared meals from meal providers for the homeless. Federal regulation 7 CFR 271.2 defines seniors, disabled members, their spouses, and private establishments that contract to offer meals at concessional prices. Regulations at 7 CFR 274.10 define identification cards and authorized meal purchases for eligible households of seniors, disabled and homeless people. Regulations at 7 CFR 278 define procedures for redeeming coupons including private homeless meals providers and specify the option to implement a contract between counties and individual restaurants that are willing to provide reduced price meals to recipients using food stamp benefits.

These regulations were considered at the Department's public hearing held on July 16, 2003.

FILING INSTRUCTIONS

All new revisions are indicated by a vertical line in the left margin. Revisions shown in graphic screen will continue to be shown in that manner until new revisions are done to those pages. The attached pages are to be entered in your copy of the Manual of Policies and Procedures. The latest prior manual letter containing Food Stamp Manual changes was FS-04-04.

Page(s)

54 through 57
68 and 69
366 through 367.1

Replace(s)

Pages 54 through 57
Pages 68 and 69
Pages 366 and 367

Attachments

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- (B) receives Supplemental Security Income (SSI) benefits under Title XVI, or disability or blindness payments under Title II (Social Security Disability Insurance Program) of the Social Security Act;

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- .1 In accordance with Section 63-402.22, SSI recipients shall be included as a member of the household for purposes of household composition. However, they shall be excluded from the household for the purpose of determining household size, eligibility or benefit level.

HANDBOOK ENDS HERE

- (C) receives disability retirement benefits from a governmental agency because of a disability considered permanent under Section 221(i) of the Social Security Act;
- (D) receives interim assistance benefits pending receipt of SSI, provided that the eligibility to receive those benefits is based upon disability or blindness criteria which are at least as stringent as those used under Title XVI of the Social Security Act;

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- (E) receives disability-related medical assistance under Title XIX (Medi-Cal) of the Social Security act;
 - (F) receives disability-based general assistance benefits, provided that the eligibility to receive those benefits is based upon disability or blindness criteria which are at least as stringent as those used under Title XVI of the Social Security Act;
 - (G) is a veteran with a service-connected or nonservice-connected disability rated by the Veteran's Administration (VA) as total or paid as total by the VA under Title 38 of the United States Code;
 - (H) is a veteran considered by the VA to be in need of regular aid and attendance or permanently housebound under Title 38 of the United States Code;
 - (I) is a surviving spouse of a veteran and considered by the VA to be in need of regular aid and attendance or permanently housebound or a surviving child of a veteran and considered by the VA to be permanently incapable of self-support under Title 38 of the United States Code;
 - (J) is a surviving spouse or surviving child of a veteran and considered by the VA to be entitled to compensation for a service-connected death or pension benefits for a nonservice-connected death under Title 38 of the United States Code and has a disability considered permanent under Section 221(i) of the Social Security Act. "Entitled" as used in this definition refers to those veterans' surviving spouses and surviving children who are receiving the compensation or pension benefits stated or have been approved for such payments, but are not yet receiving them; or
 - (K) receives an annuity payment under Section 2(a)(1)(iv) of the Railroad Retirement Act of 1974 and is determined to be eligible to receive Medicare by the Railroad Retirement Board; or Section 2(a)(1)(v) of the Railroad Retirement Act of 1974 and is determined to be disabled based upon the criteria used under Title XVI of the Social Security Act.
- (2) "Eligible food" means:
- (A) Any food or food product intended for human consumption except alcoholic beverages, tobacco, and hot foods and hot food products prepared for immediate consumption.
 - (B) Seeds and plants to grow foods for personal consumption of eligible households.

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- (C) Meals prepared and delivered by an FNS authorized meal delivery service to households eligible to use benefits for the purchase of delivered meals; or meals served by a communal dining facility for the elderly to households eligible to use benefits for communal dining.
- (D) Meals prepared and served to households eligible to use benefits to purchase those meals by a drug or alcoholic treatment and rehabilitation center which is authorized by FNS to accept benefits in exchange for meals.
- (E) Meals prepared and served to eligible blind or disabled residents receiving benefits under Title II or Title XVI of the Social Security Act by a group living arrangement which is authorized to accept benefits in exchange for meals.
- (F) Meals prepared and served by a shelter for battered women and children to its eligible residents.
- (G) Meals prepared for and served to homeless food stamp households by a public or private nonprofit establishment (e.g., soup kitchen or shelter), which has been authorized by the Food and Nutrition Service (FNS) to accept food stamp benefits. This provision only applies to homeless food stamp households.
- (H) Meals purchased by eligible elderly, or homeless or disabled food stamp households under the provision of a CDSS-approved restaurant meal program.
 - 1. Counties shall only contract with individual restaurants that serve meals at concessional prices:
 - a. meals that cost less than that which would be charged to customers not using food stamp benefits, or
 - b. discounted meals already offered to certain consumers or advertised special or sale priced meals offered to all consumers.
 - 2. Restaurants must be authorized by FNS (by approval of the FNS-252-2 submitted by the restaurant) to accept food stamp benefits.
 - 3. Before instituting a restaurant meals program, counties must first submit a written proposal to CDSS for review and approval. All county documents and definitions must reflect the requirements of federal and State regulations. The proposal must contain:

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- a. a draft identification card for eligible participants with the person's name, case number, expiration date and signature to be used in conjunction with the Golden State Advantage EBT card;
 - b. a draft publicity sheet to notify restaurants about the requirements of the restaurant meals program;
 - c. a draft publicity sheet for current homeless, elderly, and disabled recipients including information on requirements and availability;
 - d. a draft Memorandum of Understanding (MOU) detailing the obligations of the county to:
 - (i) issue an identification card to each eligible recipient;
 - (ii) inform those recipients of the names and addresses of participating restaurants; and
 - (iii) include signature blocks for persons authorized on behalf of the county and the restaurant.
 - e. a draft MOU detailing the obligations of the restaurant to:
 - (i) prohibit inclusion of a service gratuity in the price of the meal;
 - (ii) prohibit charging sales or meals tax;
 - (iii) prohibit sale of alcoholic beverages to participants; and
 - (iv) require posting of a sign notifying the public of the restaurant's participation in the program and including references to nondiscrimination statutes and regulations.
4. CDSS will review and notify the county of approval or denial of the proposal within 60 days of receipt of the county's draft material. If materials require modification, CDSS will define necessary corrections. On receipt of resubmitted materials, CDSS will make final approval or denial within 60 days.

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5. Counties that choose to participate in the restaurant meals program must recognize that CDSS approval of their written proposal will be contingent upon the availability of State funds.

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- (3) "Energy Assistance" means any payments or allowances made for the purpose of providing energy assistance under a federal law other than Part A of Title IV of the Social Security Act of 1935 (42 U.S.C. 601 et seq.), as amended, or a one-time payment made under a federal or state law for costs of weatherization, emergency repair or replacement of heating or cooling devices if unsafe or inoperative.
 - (4) "Entrant Cash Assistance (ECA)" means cash assistance provided to Cuban or Haitian entrants under the same conditions, and to the same extent, as such assistance is provided to refugees receiving Refugee Cash Assistance (RCA).
 - (5) "Extended Filing Date" in a monthly reporting system is by close of business on the first working day of the issuance month and is the final date by which the household must submit a complete CA 7, including all required verification without penalty of termination of eligibility or disallowance of deductions.
- (f) (1) "FNS" means the Food and Nutrition Service of the U.S. Department of Agriculture.
- (2) "Federal fiscal year" means a period of 12 calendar months beginning with October 1 and ending with September 30 of the following year.

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- (3) "Fingerprint Imaging" is the process that automatically scans an individual's fingerprint and produces a fingerprint image. This image is added to the Statewide Fingerprint Imaging System (SFIS) database.
- (4) "Fleeing felon" means an individual who is fleeing to avoid prosecution, or custody or confinement after conviction, under the law of the place from which the individual is fleeing, for a crime or attempt to commit a crime, that is a felony under the law of the place from which the individual is fleeing or that, in the case of New Jersey, is a high misdemeanor under the law of New Jersey. The existence of a warrant for arrest shall be presumed to be evidence of fleeing, unless rebutted by other evidence sufficient to prove that the individual had no knowledge that s/he was being sought by law enforcement.
- (5) "Food Stamp Act" means the Food Stamp Act of 1977 (Pub. L. 95-113), including any subsequent amendments thereto.
- | (g) (1) "General Assistance (GA)" means cash or another form of assistance, excluding in-kind assistance, financed by county funds as part of a program which provides assistance to cover living expenses or other basic needs intended to promote the health or well-being of recipients. Such programs include County General Assistance (GA)/General Relief (GR).
 - (A) For purposes of determining categorical eligibility, as specified in Section 63-301.82, GA recipients include individuals authorized to receive GA benefits whether or not they are actually receiving a GA payment. This includes recipients whose GA benefits have been suspended or recouped, or those who are entitled to GA benefits but are not paid such benefits because the grant is below the minimum payable under the GA program.
- (2) "Group living arrangement" means a public or private nonprofit residential setting, serving no more than sixteen residents, that is licensed by the Department of Social Services. To be eligible for food stamp benefits, a resident of such a group living arrangement must be blind or disabled and receiving benefits under Title II (Retirement, Survivors, Disability Insurance benefits) or Title XVI (SSI) of the Social Security Act. However, if per Section 63-402.225, Title XVI recipients are ineligible for food stamps, this ineligibility shall apply to Title XVI (SSI) recipients who are residing in group living arrangements.

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- (10) "Staple food" means those food items intended for home preparation and consumption which include meat, poultry, fish, breadstuffs, cereals, vegetables, fruits, fruit and vegetable juices, and dairy products. Accessory food items, such as coffee, tea, cocoa, carbonated and uncarbonated drinks, candy, condiments, and spices are not staple foods for the purposes of qualifying a firm to participate in the Food Stamp Program as a retail food store.
- (11) "State agency (CDSS)" means the agency of the State Government which has the responsibility for the administration of the federally aided public assistance programs within the state.
- (12) "Statewide Fingerprint Imaging System (SFIS)" is the automated system designed to detect and prevent duplicate participation in the Food Stamp Program by matching the fingerprint images of applicants and recipients against those already in the SFIS database. The county is also required to take a photo image of each household member required to comply with SFIS, using the SFIS equipment.
- (13) A "storage point" means a location where a CWD and/or its issuing agent keeps or stores coupons.
- (14) "Supplemental Security Income (SSI)" means monthly cash payments made under the authority of: (1) Title XVI of the Social Security Act, as amended, to the aged, blind, and disabled; (2) Section 1616(a) of the Social Security Act; or (3) Section 212(a) of Public Law 93-66.
- (15) "Suspended Claim" means a food stamp overissuance claim on which no collection action has been initiated or collection action has ceased in accordance with Section 63-801.5.
- | (t) (1) "Terminated Claim" means that the CWD has determined the claim to be uncollectible because the three-year suspension period for the food stamp overissuance claim has expired.
- (2) "Thrifty food plan" means the diet required to feed a family of four persons as determined in accordance with the Secretary's calculations. The cost of such diet shall be the basis for uniform allotments for all households regardless of their actual composition, except that the Secretary shall make household-size adjustments in the thrifty food plan taking into account economies of scale.
- (3) "Trafficking" means the buying or selling of coupons, access devices or authorization documents such as ATP cards for cash or consideration other than for eligible food, or the exchange of firearms, ammunition, explosives, or controlled substances for food coupons.

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- (4) "Transaction receipt" means the document produced in an automated direct access issuance system which can be designed to be signed prior to the issuance of benefits by a household member designated on the ID card or any authorized representative.
- (5) "Transitional housing" means time limited residency to facilitate the movement of homeless individuals and families to permanent housing. The residency shall be determined to be time limited when the household states that their housing situation is temporary, or the CWD or the housing unit imposes a time limit.
- (u) (1) "Underissuance" means the amount by which the allotment to which the household was entitled exceeds the allotment which the household received.
- (v) (1) "Validity period" means the time frame during which a household may obtain benefits by transacting an authorization document or receiving benefits at an issuance point.
- (w) (1) "Wholesale food concern" means an establishment which sells eligible food to retail stores or to meal services for resale to households.
- (x) Reserved
- (y) Reserved
- (z) Reserved

NOTE: Authority cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code. Reference: Sections 10554, 10830, 11486.5 and 18930 through 18934, Welfare and Institutions Code; 8 U.S.C.A. Section 1522(e); 42 U.S.C.A. 601, et seq.; and 42 U.S.C.A. 5122; 7 CFR 272, 7 CFR 272.4(f); 7 CFR 273, 7 CFR 273.1(c)(5); 7 CFR 271.2; 7 CFR 273.2, .2(e)(3), .2(j), (j)(4), and (v)(2)(i)(B); 7 CFR 273.4(a)(3)(ii) and (iv), .4(c), (c)(2), (c)(3)(iv), and (e)(3)(iv); 7 CFR 273.5(a); 7 CFR 273.8; 7 CFR 273.9(c)(1)(ii)(D); and (c)(11)(i) and (ii); 7 CFR 273.11(a)(2)(iii); 7 CFR 273.12(c)(3); and .12(e); 7 CFR 273.16(c); 7 CFR 273.18(a)(1)(ii); 7 CFR 273.18(e)(3)(v), (e)(5)(v) and (n)(1)(i); 7 CFR 273.21(b); 7 CFR 274.3(a)(2); 7 CFR 274.10; 7 CFR 274.12; 7 CFR 278.1; 7 CFR 2710.2; 45 CFR 401; 45 CFR 400.62; Public Law (P.L.) 100-77, Section 802; (Court Order re Final Partial Settlement Agreement in Jones v. Yeutter (C.D. Cal. Feb. 1, 1990) [Dock. No. CV-89-0768]); Section 66011, Education Code; P.L. 102-237, Section 902; 7 U.S.C. 2014(c)(2)(B) and (k)(2)(F); 7 U.S.C. 2022(b)(4); 8 U.S.C. 1631; U.S.D.A. Food and Nutrition Service Administrative Notices 94-39, 97-44, and 98-56; Hamilton v. Madigan (9th Cir. 1992) 961 F.2d 838; Food Stamp Act Section 6(k)(1); P.L. 104-193, Sections 272, 273, 805, 821, and 827 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); Federal Register Vol. 59, No. 224, dated November 22, 1994; Federal Register Vol. 65, No. 130, dated July 6, 2000 and Vol. 65, No. 149 Corrections, dated August 2, 2000, and Federal Register, Vol. 66, No. 229, dated November 28, 2001.

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.63 Process for Recertifying Nonmonthly Reporting Households

.631 The following verification requirements shall apply at recertification:

- (a) The CWD shall verify: A change in income or actual utility expenses if the source has changed or the amount has changed by more than \$25; previously unreported medical expenses and total recurring medical expenses which have changed by more than \$25; a change in the legal obligation to pay child support or an increase in the amount of child support paid.
- (b) The CWD shall not verify the following: income if the source is unchanged and the amount has changed by \$25 or less; changes of \$25 or less in total medical expenses or actual utility expenses; or decreases in the amount of child support paid. However, any questionable information related to the above expenses which is incomplete, inaccurate, inconsistent, or outdated shall be verified.

.7 Identification (ID) Cards

- .71 The CWD shall issue an ID card to each certified household as proof of eligibility. The ID card may be serially numbered at the CWD's option, except as provided in Section 63-504.84. ID cards shall be issued in the name of the household member who is authorized to receive the household's issuance. Any person listed on the ID card shall sign the ID card prior to using it.
 - .711 If the household does not name an authorized representative, the CWD shall void that area of the ID card to prevent names and signatures from being entered at a later date.
 - .712 The CWD shall place an expiration date on those ID cards issued to households that have been certified for delivered meals for a temporary period or any other temporary ID cards issued by the CWD.

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.72 Specially Marked ID Cards

.721 Any household eligible for and interested in using delivered meal services shall receive an ID card marked with the letter "M".

.722 Any household eligible for and interested in using communal dining facilities shall receive an ID card marked with the letters "CD".

.723 Any household eligible to participate in the restaurant meal program shall receive an ID card with the person's name, case number, expiration date and signature.

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- (a) EBT counties are not to place stickers on EBT cards that could damage ATM/POS devices. A separate ID card will be used in conjunction with the EBT card.

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.73 Mailing ID Cards

ID cards delivered to a household by mail shall not be mailed in the same envelope with an authorization document, access device, or coupons.

.74 Issuance/Replacement of ID Cards

The CWD shall limit issuance of ID cards to the time of initial certification, with replacements made only in instances of loss, mutilation, destruction, changes in persons authorized to obtain or use coupons, or when the ID card format or system changes. Whenever possible, the CWD shall collect the ID card being replaced.

.8 Photo ID Cards/Systems

.81 Mandatory Photo ID Cards

.811 The use of photo ID cards is mandated in any county or portion thereof with 100,000 or more food stamp recipients.

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- .812 In addition, FNS may designate at any time a county or portion thereof with less than 100,000 recipients, as requiring the use of photo ID cards, if determined that the institution of photo ID cards will be justified.
- .813 Any CWD that becomes subject to the photo ID card requirement shall come into full compliance no later than the first of the month that occurs 12 months after FNS notifies SDSS that the area is subject to the requirement.
- .814 Any CWD may request that FNS mandate photo ID cards throughout its entire county by contacting SDSS.
- .82 Exemption from a Photo ID System

In counties mandated to use photo ID cards the CWD may apply for an exemption from photo ID cards from FNS through SDSS if:

 - .821 The CWD is serviced entirely by mail issuance.
 - .822 The CWD serves between 100,000 and 110,000 recipients and within 30 days of the notice of intent to require photo ID cards the CWD demonstrates to FNS through SDSS that participation in the county has fallen below the 100,000 recipient level in the recent past or justifies why participation is likely to fall below 100,000 during the next year.

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